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## INTELLIGENCE ACTIVITIES AND FOREIGN POLICY

### I. Intelligence and Its Environment

*Dillon Rpt*

Reaching realistic conclusions about the future role of U.S. intelligence activities first requires reaching some general conclusions about likely trends in world affairs, the probable direction of U.S. foreign policy, and domestic American attitudes toward intelligence activities -- especially covert political action.\* Obviously answers to these questions can only be broad and tentative, and the only reason for considering them is to enable the reader to have some idea of the view of the world in the group's mind when it reached the conclusions it did on intelligence activities. The group regards the likely range of developments as between a hopeful trend of slow progress in mitigating the antagonism between the Communist and non-Communist powers and a moderate deterioration of the present situation of competition combined with some cooperation. A rapid and sustained improvement in world conditions or a return to an all-out and protracted cold war seem rather unlikely. The group thinks it likely that U.S. involvement in world affairs will decline somewhat, but that such an American pullback will not be drastic. Finally, the group believes there will continue to be more public opposition to U.S. covert activities than during the 1950s and early 1960s, although if the international dangers facing the United States seem to be increasing a segment of such public criticism will decline.

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\* Technically covert political action is not an intelligence activity, but since it is carried on by intelligence organizations it must be considered in any discussion of intelligence activities.

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Council on Foreign Relations

## II. Intelligence and Policymaking

The relationship between intelligence officers and policymakers is bound to be an uneasy one, no matter how well both groups (which in practice overlap at times) understand and respect the functions of the other. Intelligence officers must avoid the dangers of telling the policymaker what he wants to hear rather than what he needs to know. They must also beware of developing such a broad conception of intelligence as to include every facet of policymaking but the formal recommendation and ratification of a foregone conclusion. The policymaker in turn must listen to his intelligence advisers even when their conclusions are displeasing, and must exercise considerable restraint in using intelligence data and conclusions to win political support for his policies. These dangers can never be eliminated, but must be guarded against.

Specifically, the group reached three major conclusions on this subject:

A. The policymakers have a valuable asset in U.S. intelligence organizations. It is important for the policymakers to learn where and how to tap into the intelligence organizations for information and analytical judgments, and it is essential to keep the intelligence organizations informed of all significant policy issues coming up for decision so that the intelligence produced will be relevant to the decision-making process.

B. The importance to the policymaker of good intelligence reporting and estimating is likely to increase in the future whatever the course of U.S. foreign policy because of the complexity of world politics, the increasing interdependence of nations, and the growing importance of accurate knowledge of technological and military capabilities of other nations. Moreover, the increasing technological complexities of weapons will require long lead-time decisions based upon estimates looking years into the future.

C. It is important to continue to keep analysis and reporting organizationally separate from policymaking so that the former can present as objective a view as is possible.

### III. Organization of the Intelligence Community

The group concluded that the coordination of the U.S. intelligence effort by the Director of Central Intelligence should be continued. It also believes that intelligence affairs should be the concern of the presidential assistant for national security affairs as one of many aspects of national security rather than having a full-time senior staff person as the presidential adviser on intelligence matters. The President's Foreign Intelligence Advisory Board can provide an important source of independent investigation and advice to the President and should be continued. When dealing with intelligence matters, the presidential assistant for national security affairs and the President's Foreign Intelligence Advisory Board will often find officials in the International Division of the Bureau of the Budget knowledgeable and helpful.

The group believes that the present organization of the United States Intelligence Board is generally adequate for the National Estimative process, but that a new look at the unresolved question of the representation of the military services is in order. While there is presently some overlap and duplication resulting from the Departments of State and Defense as well as CIA having rights and responsibilities for current intelligence reporting and analysis, this is not too high a price to pay to assure that diverse viewpoints reach the policymakers.

The group has two specific changes to suggest. Most of the members believe there is a need for a senior civilian special assistant to the Secretary of Defense with responsibility for coordination of the varied types of

intelligence activities of the Defense Department. The need for such a senior official arises from the fact that the three major elements of intelligence within the Department (the Defense Intelligence Agency, the National Security Agency, and the satellite reconnaissance program) move up through different parts of the Department with no one charged on behalf of the Secretary or Deputy Secretary with the task of viewing them as an integrated whole. There is also a need to coordinate the wide variety of intelligence activities undertaken by many different military units and commands. This senior official should be responsible for advising the Secretary and Deputy Secretary and helping them manage the intelligence effort of the Defense Department, but he should not be in direct charge of the Defense Department's intelligence activities lest his existence create a serious and needless conflict between the civilian and military parts of the Department. The remainder of the group believes that the present arrangement is working well and opposes the change mentioned above. In any case, the group believes that vigorous efforts should be undertaken to encourage military intelligence to become a career with the prestige and status commensurate with its importance.

The responsibility for adopting general policies governing intelligence installations and major scientific and technical intelligence programs has not been clearly assigned to any group. We recommend that it be assigned to a subcommittee of the Senior Interdepartmental Group consisting of the Director of Central Intelligence, the presidential assistant for national security affairs, the Under Secretary of State, and the Deputy Secretary of Defense. This subcommittee should deal only with the major policy issues referred to above. Decisions governing covert operations would continue to be made as they are at present.

A perennial question concerns whether the clandestine services, the Directorate of Plans (DDP), and those engaged in intelligence research, reporting, and analysis, the Directorate of Intelligence (DDI), should both be in CIA. There are really two aspects to this matter. One is whether or not there should be two separate clandestine services, one with the responsibility for clandestine collection of information and the other with the responsibility for covert political action. The group is strongly convinced that such a separation of the clandestine services would be little short of a disaster. Covert political operations often depend or even grow out of intelligence collected clandestinely, and an organizational division of these two functions would impede this exchange. The two clandestine services would often find themselves trying to recruit the same agents, and every government that has divided these two functions has found that the two services have not only stumbled over each other but spent much of their energies competing and intriguing against each other. (No other government presently separates these two functions.)

A much stronger case can be made for separating the DDP and the DDI. The arguments in favor of such a division are: (1) the organization that produces finished and evaluated intelligence conclusions which influence policy should not be the same organization which often executes the policy decided upon -- even though these functions are organizationally separated -- lest the possible bias of the operators affect the judgments of the analysts; (2) a sense of alienation has developed between much of the academic-intellectual community and youth on the one hand and the government (especially intelligence agencies) on the other, which has several disadvantages -- (a) it is harder to have either formal or informal discussions between intelligence analysts and scholars, (b) lateral entry and exit, which reduce the dangers of inbreeding in intelligence organizations, becomes more difficult, and (c) more

professors suggest to their top students that they have nothing to do with intelligence organizations, especially CIA; (3) given the present reputation of CIA as a vast manipulator of events, its reorganization probably would ease public concern at home and abroad and could improve DDI's recruiting prospects; (4) a thorough reorganization along these lines probably would make it easier to improve the cover of clandestine officers and increase DDP's capability to carry out its activities secretly.

The problem of reaching any decision is that equally weighty arguments can be advanced against separating DDP and DDI. These are (1) CIA's ability to secure money from Congress has been due in part to the variety of tasks it performs, which has given it a broad Congressional constituency and splitting the Agency could reduce Congressional willingness to vote adequate funds -- (a) it is questionable whether DDI could secure its present level of funding if it were separate from the clandestine services, and it is unlikely that funds taken from DDI would be made available to the Department of State's Bureau of Intelligence and Research (INR), for even a smaller DDI would appear to duplicate INR and the two probably would then be merged with a linkage to the State Department along the lines of the Arms Control and Disarmament Agency; and (b) securing funds for the DDP could also become more difficult, especially after a known operational failure; (2) the Director of Central Intelligence cannot be a strong independent force as the President's principal intelligence adviser and continue to be responsible for coordinating the intelligence activities of the U.S. government unless he heads a broadly-based organization; (3) it would be difficult to devise a different organizational cover for the clandestine service to which it could be transferred without its presence there becoming publicly known and re-creating for the new cover organization many of the problems that its presence now creates for DDI; (4) CIA's capability in the scientific field is an important asset, and any division of the Agency

probably would divide this group and weaken its capabilities; (5) under the present arrangements operators benefit from the substantive knowledge of the analysts, and analysts benefit from the country or area expertise that operators gain from service in an area; (6) analysts can make sounder judgments to the extent they know what events in a country are caused by U.S. covert activities as distinct from indigenous forces; (7) analysts need to know the significant policy decisions about to be made, and they often learn of these because of the contacts between the operators and the policymakers.

A significant majority of the group is in favor of retaining the present arrangements under present circumstances, but a few members feel that the advantages of separating the two major parts of the Agency outweigh the disadvantages. It should be emphasized, however, that those in favor of retaining the present arrangements do not think it would be a disaster if they were separated, nor do those who favor a separation believe that a continuation of the present arrangements would be a major liability for the United States.

Finally, there was concern that the quality of new recruits has declined, a problem facing all government departments but especially acute for intelligence agencies because of the climate of recent years. Although the present effect of this may be offset by the increased maturity and experience of those in mid-career, many of the latter have had little chance for new and different assignments, and staleness may soon become a more serious problem. This does not amount to a crisis, but we suggest a thorough and objective review of these matters (with consideration of more job rotation, time for study, and lateral entry and exit) so that the quality of intelligence available to the policymakers will remain high.

#### IV. Clandestine and Covert Activities

The intelligence activities undertaken by the clandestine service include clandestine intelligence collection by agents, counter-intelligence operations and -- most controversial of all -- attempts to influence political conditions (broadly conceived) in other countries by a wide variety of devices (including subsidizing private American institutions). A short paper such as this can only consider certain key elements of such activities, which have often contributed substantially to U.S. national interests but have on some occasions caused acute political embarrassment abroad and at home when operations were compromised.

The first of these issues is the adequacy of policy control exercised within the Executive branch by the White House, the Department of State and (when appropriate) the Department of Defense. (It is important to distinguish control from influence, for many of the charges that CIA is not adequately controlled reflect the conviction that CIA has too much influence.) In considering the issue of control, it is worth remarking that the way to attract and keep good people is to give them important tasks and room for initiative, and heavy reliance on bureaucratic controls would impair the ability of CIA to respond quickly in a crisis. Policy controls over covert political action were for a time informal and ad hoc, but procedures for policy control have steadily improved over the years, and the group believes that such procedures for the initiation and continuation of covert operations by the appropriate policymakers are now both effective and flexible. However, the present procedures will remain effective only so long as those officials involved remain determined to make them work rather than let them become a formal ritual.

A basic weakness of CIA's operations has been inadequate secrecy. It has been able neither to keep as many events and relationships secret as it



should nor to assess in advance with sufficient realism its ability to maintain secrecy. These factors are mutually reinforcing shortcomings.

Moreover, the U.S. government has also overestimated its ability to influence and manipulate internal affairs of other countries, and it has at times misjudged when it was appropriate to resort to covert operations. This criticism applies to its overt as well as its covert activities. The government's successes with both types of activities during the height of the cold war led many officials to fail to recognize that America's influence would decline when conditions changed.

Except as regards subsidizing private American institutions our recommendations are centered on improving the effectiveness of covert operations. This is not to deny that there are political and ethical problems involved in covert operations. But the United States intervenes in the affairs of other nations in many other ways, and an intervention is not immoral simply because it is covert. The basic test is whether an intervention (covert or overt) is judicious, well-conceived, and well-executed. Without underplaying the tremendous postwar achievements of the United States in foreign affairs, enough mistakes have been made to warrant a search for ways to improve.

The ability to maintain secrecy and the political and moral problems are most acute regarding covert support of private American institutions. There are many dangers in assigning tasks to an intelligence agency simply because it can get money for such tasks easier than others, and political leaders and intelligence officials should be aware of and resist this temptation. There are also grave dangers in such activities for our society because of the importance of maintaining the independence of private institutions. Therefore the group's first recommendation is to urge the Administration to make a major effort to secure Congressional support for one or more publicly financed institutions to carry on such activities despite the political difficulty of such a

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task. If the Administration does not try and succeed (and if the less hopeful trend of world events referred to in Section I occurs) the government may feel compelled to resort to such activities again, and if they are later compromised the domestic and foreign political impact could be extremely severe.

The U.S. government has announced that it has stopped all secret subsidies to private voluntary American organizations following its acceptance of the Katzenbach (Gardner and Helms) report. However, the Katzenbach report stated that situations involving overriding national security interests might arise when such subsidies would become necessary, and recommended that extremely stringent procedures be followed in approving exceptions to the general rule even in such situations. The group believes that this is a sound basic policy.

However, the group is divided on the Katzenbach report's recommendation that in no event should an exception be approved which involves any educational, cultural, or philanthropic organization. Nearly all of the group agrees that subsidies to educational institutions are the most sensitive type of operation involved. However, most of the group believes that an absolute prohibition is too rigid, especially as regards cultural and philanthropic organizations. A minority believes that the no exception rule is the correct policy.

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If in years past the assessment of the feasibility of secrecy had been more accurate many of the covert activities that were ultimately compromised probably would not have been initiated and others would have been terminated earlier. Most of the activities that have been criticized as ineffective or unwise in recent years have been so described principally because they have been compromised. (Of course, few of the "successes" provided a permanent solution in a country, but they did eliminate a threat to U.S. interests for a greater or lesser period of time. Moreover, the essence of most covert operations is that they are directed at short-term objectives in order to provide another chance to improve long-term prospects by other means.)

If many covert operations that can be termed failures were so because they were compromised -- often with highly adverse political consequences at home and abroad -- such a proposition has the virtue of pointing in the right direction when we consider how to improve our performance. The basic task is to improve the secrecy of covert operations. This cannot be done simply by issuing a memorandum calling for improvement. Yet there are certain changes that offer a fair prospect of improving this situation, though it will be a difficult and painstaking process.

Limitations of space prevent anything but the briefest discussion of secrecy in all of its aspects and implications. There are various types of

secrecy, and perhaps the most useful approach is a threefold breakdown:

(1) covert operations that are truly secret in that even the enemy does not know they have taken place; (2) covert operations which result in events that cannot be kept secret from the enemy or perhaps the general public, but when neither the enemy nor the public can determine how or by whom the operations are being carried out; (3) covert activities which are neither secret nor deniable but only conventionally disavowed -- for example, the thin diplomatic cover of most clandestine service officers. The important point is simply that one should know how important it is to keep which events and relationships secret from whom.

Four comments and recommendations follow from this. First, whichever type of operation is being considered, a realistic assessment of the risks of compromise is an integral part of the task of maintaining secrecy and is essential in deciding what type of activities and operations to undertake -- and to continue. Some of the worst mistakes could be described as errors of assessment rather than of operational methods. While some improvements in assessing the risk of compromise can come from the greater experience of the clandestine service officers in the chain of command, once such men become convinced of the value of an operation there is a risk they will develop a bias toward underestimating the risks.

The group believes a procedural change could be made to increase the realism of assessing the risk of compromise. This change would involve creating a small staff of experienced covert operators reporting directly to the head of DDP on one limited matter -- the risk of compromise in ongoing as well as newly proposed operations. Establishing this staff within the clandestine service is proposed because what is sought is essentially a professional operator's judgment of risk at an early stage. This would not preclude those offi-

cials outside CIA who must give policy approval from probing into this matter as well as fulfilling their basic responsibility of deciding the value to the United States if an operation succeeds in its objective and the cost if it fails -- with or without compromise.

Second, the group believes that present cover arrangements of many of the clandestine service officers are grossly inadequate. This not only makes CIA look silly at times, but it leads clandestine service officers to become lax in other matters involving security. In most cases thin cover is all that is needed, although it need not be as thin as it has become for many. However, if the United States is to be able to act secretly there must be at least a moderate increase in the proportion of its operators having deep cover. CIA apparently has made little progress along these lines, and while recognizing the great difficulties involved the group believes more effort should be devoted to this task.

Third, it is rarely possible to keep large operations truly secret for long if at all, and their compromise is usually dramatic. The difficulty of maintaining secrecy is partly because of the number of people who are knowledgeable concerning the operation, but it also results because people often recognize that only the U.S. government could provide funds and logistic support in the quantities involved. The conclusion here is not that such operations should never be undertaken, for occasionally there may be no suitable alternative. However, the chances of success should be substantial, special efforts should be made to keep secret those aspects of the operations that point directly to U.S. involvement, and the government should be prepared to accept the consequences of compromise.

Finally, the group has one general suggestion to make regarding covert operations. While it probably is impossible to develop useful general guidelines regarding when, where, how and under what conditions to resort to covert

operations, it should be possible to carry out a more systematic accumulation of the continuity of covert experience and to draw some general conclusions from this effort. Some of this is already done for training purposes, but a more regular and sustained effort to pull together the lessons of the past probably would yield dividends. The importance of frankness and the need for security suggest this be carried out within DDP by senior officers of the clandestine service.

#### V. Congress and the Intelligence Community

Two issues were considered under this heading: (1) the amount and type of intelligence that should be provided to which Congressmen; and (2) whether there should be a Joint Congressional Committee on Intelligence Activities. The group does not feel that it is adequately in touch with current practices regarding (1) to make any specific recommendations, and does not see how any general statements such as "give Congress more intelligence" or "be very cautious about giving Congress sensitive intelligence" would be of any help to anyone.

The members of the Senate and House subcommittees which oversee CIA have been drawn from the military and appropriations committees, although recently a few members of the Foreign Relations Committee have been added in the Senate. These subcommittees have kept secret the intelligence they have received and have been friendly toward the Agency. The critics of this arrangement have objected on two grounds: (1) that CIA's activities fell more properly within the field of foreign than military affairs, and (2) that the members of the subcommittees were so friendly to CIA that there was no true oversight role performed in a situation where an adversary relationship would have been more appropriate. The group recognizes that this is ultimately a matter for Congressional decision. Nonetheless, nearly all of the group is opposed to the creation of a Joint

Committee on three grounds: (1) a Joint Congressional Committee on Intelligence should logically be responsible not only for CIA but for all intelligence organizations, and we believe it most unlikely that the Armed Services Committees would relinquish their control of military intelligence; (2) such a group looking over CIA's shoulder would create additional pressures for a cautious bureaucratic approach and thus reduce one of the Agency's most valuable characteristics -- its ability to move quickly and imaginatively when so required; (3) the cooperation between CIA and foreign intelligence organizations (especially those of neutral nations) and the intelligence CIA receives from them probably would be substantially reduced because they would fear that these relationships might become publicly known or even subject to committee debate in executive session. In any event, it seems desirable to see if the recent addition of members from the Foreign Relations Committee satisfies past critics and works out well in practice before making further changes.

The remainder of the group is in favor of the creation of a Joint Committee on Intelligence on two grounds: (1) the United States would benefit if Congress exercised a more active oversight role over the intelligence activities of the U.S. government, especially those of CIA; and (2) the creation of such a committee would significantly ease the concern of some members of Congress and of some groups of U.S. citizens about U.S. intelligence activities.

#### VI. Intelligence and the Press

The disclosure of intelligence activities in the press in recent years is a clear national liability. These disclosures have created a public awareness that the U.S. government has, at least at times, resorted to covert operations in inappropriate situations, failed to maintain secrecy, and failed to review ongoing operations adequately. These weaknesses, even if partially corrected by this time, hamper the Agency (and the U.S. government) by limiting those

willing to cooperate with it and increasing those opposed to it and its activities. As long as such disclosures remain in the public mind, there is nothing CIA can do in the way of public relations (openly or behind the scenes) that will substantially improve its image.

Moreover, there is no way to prevent the press from publishing information it acquires about intelligence activities. Voluntary press restraints would have to be accepted by virtually the entire newspaper, magazine, radio, and television industries or they would quickly break down. There is no chance of achieving this. Legislation, whether regarded as desirable or not (and even ignoring the Constitutional problems) is impossible to achieve in the present climate, and it would be unwise to count on improved prospects in the future. Thus one must expect the press to seek news about intelligence activities and publish such news if and when it is acquired.

Under these circumstances the group has one recommendation. The U.S. government in the past almost automatically and immediately denied any charge that a particular event resulted from a U.S. covert operation. Sometimes this ended the matter, but too often enough evidence came to light to strip the denial of its credibility or even to force the United States to admit the truth, thus getting itself into the worst possible position. Gradually the government has shifted from a policy of virtually automatic and instant denial toward one of refusing to comment on such charges. The group believes that refusing to comment should become a firm policy -- whether the charges are true or false -- making clear from the outset that this is now the basic government information policy. This could be done most convincingly by a new Administration just after it took office, with the President announcing that CIA was the target of so many absurd charges that henceforth the United States would refuse to comment on any of them.



Two problems might arise. Perhaps once a decade an event would occur -- such as the 1960 U-2 flight -- when it would be necessary to admit an operation. Another would be the temptation to deny particularly absurd or serious charges in background news sessions. This would undermine the policy by making a distinction between charges that were denied in such sessions and those that were not, and this distinction would become known and invite invidious comparisons. A policy of refusing to comment would not be easy to initiate and maintain, especially if an accusation was causing a furor in a foreign country, but the group believes it would in time substantially improve the public position of the U.S. government regarding covert operations.